

By: _____ .B. No. _____

Substitute the following for ____B. No. ____:

By: _____ C.S.____.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to incentives for media production facilities in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 485A.002(3), Government Code, is amended to read as follows:

(3) "Moving image project" means a visual and sound production, including a film, a television program, streaming content, a national or multistate commercial, or a digital interactive media production. The term does not include a production that is obscene, as defined by Section 43.21, Penal Code.

SECTION 2. Chapter 485A, Government Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. MEDIA PRODUCTION FACILITY INCENTIVE PROGRAM

Sec. 485A.301. DEFINITIONS. In this subchapter:

(1) "In-state construction spending" means the amount of money spent by a production company on the acquisition, construction, renovation, or lease of a media production facility.

(2) "Production company" has the meaning assigned by Section 485.021.

Sec. 485A.302. MEDIA PRODUCTION FACILITY INCENTIVE PROGRAM. (a) Using gifts, grants, donations, and appropriations made available to the office for that purpose, the office shall

1 administer a grant program for production companies that construct
2 media production facilities at a qualified media production
3 location.

4 (b) The office shall develop a procedure for the submission
5 of grant applications and the awarding of grants under this
6 subchapter. The procedure must include:

7 (1) requirements for the submission, before facility
8 construction begins, of an estimate of total in-state construction
9 spending; and

10 (2) provisions relating to the submission of other
11 information considered useful and necessary by the office for an
12 adequate and accurate analysis of a production company's
13 qualifications for a grant under this subchapter.

14 (c) A production company is not required to reapply for a
15 grant under this subchapter for each year of the 10-year period
16 described by Section 485A.303(2).

17 (d) The office may accept gifts, grants, and donations for
18 the purpose of implementing this subchapter.

19 Sec. 485A.303. QUALIFICATION. To qualify for a media
20 production facility grant under this subchapter, a production
21 company must:

22 (1) be a:

23 (A) limited liability company, partnership, or
24 corporation formed or organized under the laws of this state; or

25 (B) joint venture or other legal entity in which
26 at least one entity that holds at least a 30 percent ownership
27 interest is a limited liability company, partnership, or

1 corporation formed or organized under the laws of this state; and

2 (2) commit to constructing a media production facility
3 and producing moving image projects for a 10-year period.

4 Sec. 485A.304. GRANT. The amount of a media production
5 facility grant under this subchapter is determined as follows:

6 (1) if the production company spent at least \$2
7 million but less than \$4 million on the facility, the amount of the
8 grant is equal to 10 percent of in-state construction spending on
9 the facility; or

10 (2) if the production company spent at least \$4
11 million on the facility, the amount of the grant is equal to 20
12 percent of in-state construction spending on the facility.

13 Sec. 485A.305. ADDITIONAL GRANT FOR UNDERUTILIZED AND
14 ECONOMICALLY DISTRESSED AREAS. In addition to the grants
15 calculated under Sections 485A.304 and 485A.306, a production
16 company that constructs a media production facility in an
17 underutilized and economically distressed area is eligible for an
18 additional grant in an amount equal to 7.5 percent of the total
19 amount of the production company's in-state construction spending
20 for the facility.

21 Sec. 485A.306. ADDITIONAL GRANT FOR CERTAIN MEDIA
22 PRODUCTION FACILITIES. (a) In addition to the grants calculated
23 under Sections 485A.304 and 485A.305, a production company is
24 eligible for an additional grant in an amount equal to 7.5 percent
25 of the total amount of the company's in-state construction spending
26 for a media production facility if:

27 (1) the company constructs the facility to produce

1 projects with a focus on persons from diverse ethnic backgrounds;
2 and

3 (2) at least 35 percent of the persons employed at the
4 facility are women or are from diverse ethnic backgrounds.

5 (b) The office shall adopt rules prescribing the method by
6 which the office will determine whether a production company meets
7 the requirements for an additional grant under this section.

8 Sec. 485A.307. ELIGIBILITY FOR GRANTS FROM MOVING IMAGE
9 INDUSTRY INCENTIVE PROGRAM. Notwithstanding the requirements of
10 Subchapter B, Chapter 485, a moving image project that is produced
11 at a media production facility that qualifies for a grant under this
12 subchapter is eligible for a grant under Subchapter B, Chapter 485,
13 if documentation is submitted to the office proving qualification
14 for a grant under this subchapter and any requirement for a project
15 in Subchapter B, Chapter 485, that is related to spending on Texas
16 residents is satisfied by any spending on the project for non-Texas
17 residents.

18 SECTION 3. This Act takes effect September 1, 2021.